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In re PMC-SIERRA, INC. DERIVATIVE  
LITIGATION

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This Document Relates To:

ALL ACTIONS.

~~[PROPOSED]~~ ORDER PRELIMINARILY  
APPROVING DERIVATIVE SETTLEMENT  
AND PROVIDING FOR NOTICE

1 WHEREAS, the parties have made application, pursuant to Federal Rule of Civil Procedure  
2 23.1, for an order (i) preliminarily approving the settlement (the "Settlement") of the Actions, in  
3 accordance with a Stipulation of Settlement dated November 5, 2009 (the "Stipulation"), which,  
4 together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed  
5 Settlement and dismissal of the Actions with prejudice, upon the terms and conditions set forth  
6 therein; and (ii) approving for distribution of the Notice of Proposed Settlement ("Notice"); and

7 WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth  
8 in the Stipulation (in addition to those capitalized terms defined herein); and

9 WHEREAS, the Court having considered the Stipulation and the Exhibits annexed thereto  
10 and having heard the arguments of the Settling Parties at the preliminary approval hearing:

11 NOW THEREFORE, IT IS HEREBY ORDERED:

12 1. The Court does hereby preliminarily approve, subject to further consideration at the  
13 Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including  
14 the terms and conditions for settlement and dismissal with prejudice of the Actions.

15 2. A hearing (the "Settlement Hearing") shall be held before this Court on April 29,  
16 2010, at 1:30 p.m., at the United States District Court, Northern District of California (the "Court"),  
17 United States Courthouse, 450 Golden Gate Avenue, Room 3, 17th Floor, San Francisco, California,  
18 to determine whether the settlement of the Actions on the terms and conditions provided for in the  
19 Stipulation is fair, reasonable, and adequate to current PMC-Sierra, Inc. ("PMC") shareholders and  
20 to PMC and should be approved by the Court; whether a Judgment as provided in ¶1.12 of the  
21 Stipulation should be entered herein, and to award attorneys' fees and expenses to Plaintiffs'  
22 Counsel.

23 3. The Court approves, as to form and content, the Notice annexed as Exhibit A-1  
24 hereto, and finds that the distribution of the Notice substantially in the manner and form set forth in  
25 this Order, meets the requirements of Federal Rule of Civil Procedure 23.1 and due process, and is  
26 the best notice practicable under the circumstances and shall constitute due and sufficient notice to  
27 all Persons entitled thereto.

1           4.       Not later than ten (10) calendar days following entry of this Order, PMC shall cause a  
2 copy of the Stipulation to be filed with the U.S. Securities and Exchange Commission and to be  
3 posted on the Company's website.

4           5.       Not later than ten (10) calendar days following entry of this Order, PMC shall cause a  
5 copy of the Notice substantially in the form annexed as Exhibit A-1 hereto to be published once in  
6 the national edition of *Investor's Business Daily* and posted on the Company's website.

7           6.       At least seven (7) calendar days prior to the Settlement Hearing, Defendants' counsel  
8 shall serve on counsel for the Plaintiffs and file with the Court proof, by affidavit or declaration, of  
9 such filing, posting and publication.

10          7.       All current PMC shareholders shall be bound by all orders, determinations and  
11 judgments in the Actions concerning the Settlement, whether favorable or unfavorable to current  
12 PMC shareholders.

13          8.       Pending final determination of whether the Settlement should be approved, no current  
14 PMC shareholder, either directly, representatively, or in any other capacity, shall commence or  
15 prosecute against any of the Defendants, any action or proceeding in any court or tribunal asserting  
16 any of the Released Claims.

17          9.       All papers in support of the Settlement and the award of attorneys' fees and expenses  
18 shall be filed with the Court and served at least twenty-one (21) calendar days prior to the Settlement  
19 Hearing and any reply briefs will be filed by Plaintiffs' Counsel seven (7) calendar days prior to the  
20 Settlement Hearing.

21          10.      Any current PMC shareholder may appear and show cause, if he, she or it has any,  
22 why the settlement of the Actions should not be approved as fair, reasonable, and adequate, or why a  
23 judgment should not be entered thereon, or why attorneys' fees and expenses should not be awarded  
24 to Plaintiffs' Counsel; provided, however, unless otherwise ordered by the Court, no current PMC  
25 shareholder shall be heard or entitled to contest the approval of the terms and conditions of the  
26 Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the attorneys'  
27 fees and expenses to be awarded to Plaintiffs' Counsel unless that Person has, at least fourteen (14)  
28 calendar days prior to the Settlement Hearing, filed with the Clerk of the Court at the address listed

1 below and served on the following counsel (delivered by hand or sent by first class mail) appropriate  
2 proof of stock ownership, along with written objections, including the basis therefore, and copies of  
3 any papers and briefs in support thereof such that they are received no later than fourteen (14)  
4 calendar days prior to the Settlement Hearing:

5 Shawn A. Williams  
6 COUGHLIN STOIA GELLER  
7 RUDMAN & ROBBINS LLP  
8 100 Pine Street, Suite 2600  
9 San Francisco, CA 94111

10 *Lead Counsel for Plaintiffs in the Federal Action*

11 Patrick E. Gibbs  
12 LATHAM & WATKINS LLP  
13 140 Scott Drive  
14 Menlo Park, CA 94025

15 *Counsel for Nominal Defendant PMC*  
16 *and the Individual Defendants*

17 Clerk of the Court  
18 UNITED STATES DISTRICT COURT  
19 NORTHERN DISTRICT OF CALIFORNIA  
20 United States Courthouse  
21 450 Golden Gate Avenue  
22 San Francisco, CA 94102

23 Any current PMC shareholder who does not make his, her or its objection in the manner provided  
24 herein shall be deemed to have waived such objection and shall forever be foreclosed from making  
25 any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the  
26 Stipulation and to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise  
27 ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to  
28 be given.

11. Neither the Stipulation nor the Settlement, nor any act performed or document  
executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed  
to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a  
presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of  
the Defendants or of the validity of any Released Claims; or (b) is intended by the Settling Parties to  
be offered or received as evidence or used by any other person in any other action or proceeding,

1 whether civil, criminal or administrative. The Released Persons may file the Stipulation and/or the  
2 Judgment in any action that may be brought against them in order to support a defense or  
3 counterclaim based on principles of res judicata, collateral estoppel, full faith and credit, release,  
4 good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue  
5 preclusion or similar defense or counterclaim.

6 12. The Court reserves the right to adjourn the date of the Settlement Hearing or modify  
7 any other dates set forth herein without further notice to current PMC shareholders, and retains  
8 jurisdiction to consider all further applications arising out of or connected with the Settlement. The  
9 Court may approve the Settlement, with such modifications as may be agreed to by the Settling  
10 Parties, if appropriate, without further notice to current PMC shareholders.

11 IT IS SO ORDERED.

12 DATED: 01/26/2010



THE HONORABLE RICHARD SEEBORG  
UNITED STATES DISTRICT JUDGE

14 Submitted by,

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16 RUDMAN & ROBBINS LLP  
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24 JEFFREY D. LIGHT

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27 Lead Counsel for Plaintiff

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Additional Counsel for Plaintiff

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1 CERTIFICATE OF SERVICE

2 I hereby certify that on January 25, 2010, I electronically filed the foregoing with the Clerk  
3 of the Court using the CM/ECF system which will send notification of such filing to the e-mail  
4 addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have  
5 mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF  
6 participants indicated on the attached Manual Notice List.

7 I certify under penalty of perjury under the laws of the United States of America that the  
8 foregoing is true and correct. Executed on January 25, 2010.

9  
10 s/ Jeffrey D. Light  
JEFFREY D. LIGHT

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**Mailing Information for a Case 5:06-cv-05330-RS****Electronic Mail Notice List**

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**Manual Notice List**

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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